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UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA  
RENO, NEVADA

IN THE MATTER OF THE )  
SEARCH OF: )  
The Residence Located at 12720 )  
Buckthorne Lane, Reno, Nevada, )  
and Storage Units 136, 140, 141, )  
142, and 143, Double R Storage, )  
888 Maestro Drive, Reno, Nevada. )  
\_\_\_\_\_  
)

3:06-CV-0263-LRH-VPC

**SEALED**  
**MINUTES OF PROCEEDINGS**

DATED: December 4, 2006

PRESENT: THE HONORABLE VALERIE P. COOKE, MAGISTRATE JUDGE  
 Deputy Clerk: Lisa Mann Court Reporter: Kathryn M. French  
 Counsel for Movant(s): Michael Flynn and Ronald Logar  
 Counsel for Respondent(s): Paul Pugliese and Ronald Rachow

PROCEEDINGS: SEALED SHOW CAUSE HEARING

10:30 a.m. Court convenes.

The Court addresses the parties regarding the sequence of events in this action and the purpose of this hearing.

On November 28, 2006, this Court issued an order regarding the Montgomery's motions concerning search warrants in this action. On November 30, 2006, the government filed an ex parte motion for clarification of order of November 28, 2006. On December 1, 2006, this Court issued an order directing that the government serve a copy of their ex parte motion for clarification of order on the movants. Also on December 1, 2006, the government filed an objection and notice of intent to appeal order of December 1, 2006, and further indicated that it would not serve a copy of the ex parte motion for clarification as ordered by this Court. The Court then set this show cause hearing.

The Court also notes for the record that it is aware that the government has submitted to the District Court an emergency ex parte request for issuance of a stay on the U.S. Magistrate Judge's order of December 1, 2006, and advises the parties that the District Court has referred the government's request to this Court.

The Court hears from counsel for the government.

The Court hears from counsel for the movants.

In the Matter of the Search of: The Residence Located at  
12720 Buckthorne Lane, Reno, Nevada, and Storage Units  
136, 140, 141, 142, and 143, Double R Storage, 888 Maestro  
Drive, Reno, Nevada.

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Having heard from the parties and good cause appearing the Court finds that to the extent it will order sanctions against the government for its failure to comply with an order of this Court, the sanction is this hearing.

Counsel for the government informs the Court that they wish to withdraw their motion for clarification; therefore, IT IS ORDERED that the government's motion for clarification filed November 30, 2006 is deemed WITHDRAWN.

The Court advises the parties that to the extent there is any question regarding this Court's November 28, 2006 order granting the movants' motion to unseal, the Court assures the parties that all papers, exhibits, and transcripts regarding this action remain sealed until ruling by the District Court.

IT IS SO ORDERED.

11:10 a.m. Court adjourns.

LANCE S. WILSON, CLERK

By: \_\_\_\_\_ /s/  
Lisa Mann, Deputy Clerk